

AT A REGULAR MEETING OF THE CULPEPER COUNTY BOARD OF SUPERVISORS HELD IN THE BOARD ROOM, LOCATED AT 302 N. MAIN STREET, ON TUESDAY MAY 1, 2007.

Board Members Present: *John F. Coates, Chairman*
Steven E. Nixon, Vice-Chairman
Larry W. Aylor
William C. Chase, Jr.
Sue D. Hansohn
Brad C. Rosenberger
Steven L. Walker

Staff Present: Frank T. Bossio, County Administrator
J. David Maddox, County Attorney
Valerie H. Lamb, Finance Director
John C. Egertson, Planning Director
Paul Howard, Director of Environmental Services
Peggy S. Crane, Deputy Clerk

CALL TO ORDER

Mr. Coates, Chairman, called the meeting to order at 10:00 a.m.

PLEDGE OF ALLEGIANCE TO THE FLAG

Mrs. Hansohn led the members of the Board and the audience in the Pledge of Allegiance to the flag.

APPROVAL OF AGENDA - ADDITIONS AND/OR DELETIONS

Mr. Frank Bossio, County Administrator, asked that the following changes be made to the agenda:

Under **ADMINISTRATOR'S REPORT**, add Discussion of participating with VACo in the Jefferson Cup Award to Senator John H. Chicester upon his retirement from the State Senate; and

Under **CLOSED SESSION**, Item 1, substitute new 1. Under *Virginia Code §2.2-3711(A)(1)* to consider: (A) Application for appointment to the Piedmont Workforce Network to fill one vacancy for a two-year term, for current Item 1.

Mr. Nixon moved, seconded by Mr. Walker, to approve the agenda as amended.

Mr. Coates called for voice vote.

Ayes - Aylor, Chase, Coates, Hansohn, Nixon, Rosenberger, Walker

Motion carried 7 to 0.

APPROVAL OF MINUTES

The minutes of the April 3, 2007 regular meetings were presented to the Board for consideration.

Mr. Nixon moved, seconded by Mrs. Hansohn, to approve the minutes as presented.

Mr. Coates called for voice vote.

Ayes - Aylor, Chase, Coates, Hansohn, Nixon, Rosenberger, Walker

Motion carried 7 to 0.

CONSENT AGENDA

Mr. Bossio reviewed the following Consent Agenda items with the Board:

- a. The Board will consider approving a Proclamation Declaring May 20-26, 2007, as Emergency Medical Services Week.
- b. The Board will consider a request from Virginia Department of Transportation to accept the old Route 3 located at Lignum, now State Route 788, into the Secondary System of State Highways.
- c. The Board will consider a request from Virginia Department of Transportation to accept the following street into the Secondary System of State Highways: Granite Blvd., State Rt. Number 1250 in the Stone Ridge Subdivision.
- d. The Board will consider a budget amendment for the Department of Human Services for additional funds in the area of Eligibility Pass Through in the amount of \$200,000, and Services Pass Through in the amount of \$120,000. No local funds required.
- e. The Board will consider budget amendment for the Department of Human Services for additional funds for Families First in the amount of \$500 from Culpeper Mid-Day Lions for the "Welcome Home Baby" Program.
- f. The Board will consider acceptance of a grant for the Sheriff's Office from the U.S. Department Homeland Security for the Commercial Equipment Direct Assistance Program. This grant provides the equipment valued at \$11,850. No local funds required.
- g. The Board will consider appropriation of a state maintenance grant for the Airport from the Commonwealth of Virginia, Department of Aviation, for tree work at the airport in the amount of \$12,800.

Mrs. Hansohn moved, seconded by Mr. Nixon, to approve the Consent Agenda as presented.

Mr. Coates called for voice vote.

Ayes - Aylor, Chase, Coates, Hansohn, Nixon, Rosenberger, Walker

Motion carried 7 to 0.

GENERAL COUNTY BUSINESS

CONSIDERATION OF REQUEST TO DISCHARGE FIREWORKS

Mr. Bossio reported that a request was received from Randolph (Randy) Jones to discharge fireworks on June 16, 2007, on Inskeep's Mt. Pony Farm located at 19115 Mt. Pony Road.

Mr. Randy Jones was present to answer questions.

Mr. Chase asked whether Mr. Jones had notified the Fire Department and Sheriff's Department. Mr. Bossio stated that both agencies had been notified.

Mr. Nixon moved, seconded by Mr. Chase, to approve the request.

Mr. Coates called for voice vote.

Ayes - Aylor, Chase, Coates, Hansohn, Nixon, Rosenberger, Walker

Motion carried 7 to 0.

UPDATE ON YOWELL ELEMENTARY SCHOOL

Mrs. Elizabeth Hutchins, Chairman of the School Board, informed the Board that Mr. Tom Crabtree and Mr. Jeff Straub, of Crabtree, Rohrbaugh and Associates, architects for the new Yowell Elementary School, would provide an update on the status of the project.

Mr. Tom Crabtree informed the Board that the bids received for the new school were higher than anticipated, but progress had been made in the last 30 days in identifying some reductions in cost. He reported that the apparent low bidder was Caldwell and Santmyer, Inc., at a price of \$16.35 million, but they had been very cooperative in reducing their bid to \$14.49 million that included approximately \$2.591 million for site work. He noted that the cost per square foot of the building was \$141.65 per square foot, which was the lowest cost per square foot of any school bid in Northern Virginia this year. He said he was recommending to the School Board, that the contract be awarded to Caldwell and Santmyer in the amount of \$14.49 million, including the \$750,000 in offsite improvements that had been added to the project after the original project budget was established.

Mr. Chase pointed out that the Board had already allocated \$7.5 million toward the original cost of \$14.9 million, so the bid price was still under the original amount that had been quoted. Mr. Crabtree stated that the \$14.49 million bid was for construction costs and did not include soft costs. He said the School Board would discuss the soft costs, but he understood they would not be requesting additional funds.

Mr. Chase indicated that construction costs were higher than the original estimate of \$14.9 million. Mr. Crabtree agreed that construction costs were higher than anticipated, and he attributed the increase to the unprecedented escalation in construction costs in the region. He pointed out that the project's costs of \$141.65 per square foot was \$43 a square foot less than the recently bid elementary schools in Spotsylvania, \$22 a square foot less than the elementary school that was recently bid in Louisa County, and \$12 a square foot less than the two schools that were recently bid in Prince William County.

Mr. Chase stated that the offsite improvements should be anticipated. Mr. Crabtree pointed out that the traffic signal was not a project requirement, but was desired by VDOT.

Mr. Coates asked whether the traffic signal and roadway improvements were a requirement of the VDOT or the Town since it was a Town street. Mr. Crabtree replied that it was a combination of the two. Mr. Coates indicated that the connection with Route 522 was within the Town limits, maintained by the Town, and the Town was paid lane miles by VDOT to maintain those streets.

Mr. Straub explained that they had met with VDOT initially, after which the signal was added and became a requirement.

Mr. Chase felt strongly that if the Town required the traffic signal and roadway improvements, they should pay for them. He said he was not prepared to add more money to the project after a set figure had been agreed to.

Mr. Crabtree pointed out that the School Board would speak to this issue. He said he was reporting to the Board on the status of the project, and they had already made over \$1.86 million in cost reductions in the last 30 days and would continue to do so. He noted that to complete the project on schedule, the contract should be awarded while additional cost reductions were being identified.

Mr. Chase expressed his concern that any additional funds would impact the taxpayers. Mr. Crabtree agreed that was the reason they were working very hard to reduce the costs beyond the \$1.860 million already identified.

Mrs. Hansohn asked what the estimate was for soft costs. Mr. Crabtree replied that soft costs were approximately \$2 million. Mrs. Hansohn asked whether the \$2 million was outside of construction. Mr. Crabtree stated that it was and included everything from design engineering to financing fees to contingency. He said there was still a contingency in the

soft costs for the construction period and approximately \$90,000 in contingency for site work. He said they were within the soft cost budget funds for furnishings, desks, etc.

Mr. Coates questioned whether the cost reductions would affect the project. Mr. Crabtree replied that they had worked diligently to ensure that the reductions would not affect the program areas required by the School District, and not one square foot of required program area in the building has been omitted and the building essentially looked the same. He listed some of the materials changes they had made, such as deleting aluminum soffits, simplifying the lobby area, and reducing some of the large window areas in the lobby, but he emphasized that all the classrooms and program spaces remained the same. He said that the general contractor had been very cooperative and forthcoming in providing information in order to meet the goals that had been established. He gave as an example that the contractor had agreed to revise the finish on the doors from a maple veneer to an oak veneer that resulted in a \$10,000 reduction.

Mr. Coates asked Mr. Crabtree whether he had received cooperation from all of the parties involved when the project was being developed. Mr. Crabtree assured him that his staff had received excellent cooperation from VDOT, the Town, the County, the School Board and the School Administration and everybody worked hard to make the project a reality. He explained that the costs to add a traffic signal was not anticipated at the time the budget was developed, but safety was paramount and it became a project requirement. He said the project was on a very tight time line and it would not have been possible to accomplish the progress made to date without the cooperation and hard work of everyone involved.

Mr. Coates expressed his concern that a traffic light was being installed that would only be needed approximately 30 minutes when school opened and 30 minutes when it closed. He said that the street served local people and did not align with any other street. He felt it was something that was being built for future improvements for a road that was going to connect to the bypass. He stated that more consideration should have been given to working with the Town because they had a need for the signal in the future.

Mr. Aylor recalled he had previously voiced his concerns regarding steel construction with masonry versus all masonry, and the architects had agreed to investigate that possibility. Mr. Crabtree stated that steel versus masonry had been discussed with the

apparent low bidder and he was offered the option of shifting the building to brick veneer on light gauge metal framing. The contractor confirmed that in this situation there would be an approximate \$300,000 premium to go to the steel frame. He explained that the new elementary school was essentially a split-level building with one story in the front and two stories in the rear, and the major retaining wall was a bearing wall that eliminated the need for the steel framing there regardless of whether the rest of the building were framed in steel. He indicated there were large areas of the building that were framed in steel, such as the roof framing and the floor framing. He said the trade-off became an evaluation of whether the amount of masonry that could be reduced would offset the costs of inserting the steel frame in the building. He noted that he had offered the School Board to redesign at no cost should the contractor indicate there would be cost savings using a steel frame, but the contractor declined the offer because he knew it would be more expensive.

Mr. Aylor pointed out that there were contractors who specialized in masonry and contractors specializing in steel construction and, in his experience as a builder, he had found that steel construction was quicker and more cost effective. Mr. Crabtree stated that the proposed contractor was one of the dominant contractors in the region of school construction, and he had built both steel-frame and low-grain masonry schools. He added that he would continue to explore the issue with the contractor, but pointed out that the school was \$12 a square foot below the 2005-2006 average cost of an elementary school at the present time.

Mr. Aylor stated his main concern was being a good steward of the taxpayers' money. He asked whether any classrooms had been eliminated during the value engineering and cost reduction process. Mr. Crabtree assured him that the number and size of the classrooms and educational space had been maintained, and the new school would be a fully functional, fully operational school building equipped with all of the items the School Board determined were necessary.

Mr. Chase questioned the cost in using maple doors instead of oak doors in the original design because they traditionally cost more. Mr. Crabtree replied that they had originally selected maple doors, but after reviewing the contractor's bid price, the change was made from maple to oak that resulted in \$10,000 in savings.

Mr. Chase asked how much more than the original \$14.8 million was the project going to cost. Mr. Crabtree replied that including \$2 million in soft costs, the project was 10 percent higher than the original budget, or \$1.5 million more, including contingency which may or not be expended.

Mr. Rosenberger asked whether the offsite improvements were included in the figures cited. Mr. Crabtree replied that offsite improvements were included in the total, and of the cost for the offsite improvements, \$250,000 was for signalization.

Mr. Rosenberger inquired whether the contract contained liquidated damages. Mr. Crabtree stated that liquidated damages had been included at \$1,000 per calendar day. He said that since the time frame was so tight, he was recommending the contract be awarded as soon as possible in order to have more time to identify additional savings. He noted that he had confirmation from the contractor that \$1.86 million in savings had already been identified, and he would continue to work to identify additional cost savings that would be processed as change orders after the contract was awarded. He said this would ensure that the building would be ready by next August when school opened.

Mr. Rosenberger stated he appreciated what the architects were doing, but realistically the project was still going to be \$1.5 to 1.7 million short of what had been allocated for the building. Mr. Crabtree said School Board members were prepared to address that issue.

Mr. Nixon stated that \$14.9 million was provided to build the school and he specifically asked the architects at the last meeting whether they would be able to deliver the school on time and on budget. He said that the response from Mr. Crabtree was that his company prided itself in being able to deliver schools on time and on budget and had yet to deliver a school not on time or not on budget. He said if Mr. Crabtree had built any schools within the last 24 months, he would have known that costs had escalated. Mr. Crabtree stated that while he knew costs were escalating, they had escalated more rapidly than anyone could have expected.

Mr. Nixon pointed out that by the time the project was bid, the architects knew that costs had been escalating in certain areas and should have anticipated there would be additional costs and made the necessary allowances. He also pointed out that since the architects had done value engineering from the beginning, he felt that they should not have

been surprised by the \$3 million increase. He stated that he could understand why allowances were not made for signalization, but he knew the architects were aware that turn lanes and other offsite modifications would be necessary. He asked whether they were going to live within the budget or would be asking for additional funds. Mr. Crabtree repeated that they would not be asking for more money. Mr. Straub confirmed that the School Board would address that issue, and he understood they would not be asking for additional funding.

Mr. Crabtree stated that he was disappointed they were 10 percent over budget, but maintained that the project was still below the cost per square foot at which surrounding counties were delivering their schools. He said the Board had his commitment to continue to do everything possible to effect further cost savings.

Mrs. Elizabeth Hutchins, Chairman of the School Board, said she shared the Board's frustration regarding the increases in the budget and that Mr. George Dasher, School Board Member, would report on their activities in trying to identify cost savings, but she wanted to talk about the Town's involvement with the offsite improvements. She said that the light was part of the conditional use permit for the property because citizens had expressed concerns about possible traffic problems at Yowell Drive. She added that the entrance to Yowell Drive had to be relocated because of sight distance and other safety concerns. She reported that the Town had accelerated its permit schedule for the school and reduced its request for fencing and sidewalks along Sperryville Pike, and conversations with them were continuing. She said that Mr. Butch Davies had connected them with some grant money that might be available to assist with the light and some of the sidewalks. She agreed that the light was expensive at \$250,000, but did not know how it could be avoided since it was a condition of the use permit. She agreed that the signalization would be more of a need in the future, than now.

Mr. George Dasher reported that he and Mrs. Hutchins had met several times with the Town to discuss various alternates and the availability of additional funding, and they would continue those discussions even though nothing had materialized as yet. He said that the School Board had not voted to approve the contract, but the committee working on plans for the building would recommend to the School Board that they award the contract in

the amount of \$14.49 million, and they would discuss sources of additional funds at that time.

Mr. Dasher said the School Board had completed restricting plans and the school needed to be operational by August 2008. He explained that when the project was put out for bid, there were a number of alternatives included to provide some latitude in what would be included, such as whether to eliminate all of the equipment in the cafeteria, to eliminate the gym, to eliminate the library, and/or to reduce the classrooms, but a decision was reached to reprioritize other monies to bridge the difference rather than making these reductions. He said the school had been sized for 620 students and all of the classrooms would be needed.

Mr. Dasher stated that if \$14.9 million were appropriated and the contract were signed for \$14.49 million, \$400,000 would remain to apply toward the soft costs, and approximately \$1.5 million to \$1.6 million would still be needed. He said that by reprioritizing approximately \$970,000 of CIP monies that had been allocated for upgrades to the high school, and other renovations, the total would be brought down to approximately \$1.38 million with a shortage of \$210,000. He said the committee would be recommending to the School Board to award the contract at \$14.49 million with the expectation that funding would be appropriated in the amount of \$14.5 million in order to hold to the construction schedule.

Mrs. Hansohn commented that it appeared that Mr. Dasher had a plan. Mr. Dasher agreed and stated that the committee had to make a priority call where the biggest need existed and they believed it was in alleviating the crowding in the elementary schools. He recalled that the Board of Supervisors felt that accelerating the new elementary school by a year would be more beneficial than building an addition at Farmington, and the School Board agreed.

Mrs. Hansohn asked how much money would be left over from this year's budget.

Mr. Jeff Shomo, Director of Finance for the School System, replied that he did not have an exact number, but no more than \$900,000.

Mrs. Hansohn suggested that if money was taken out of the CIP that was earmarked for renovations, the \$900,000 could replace some of those funds.

Mr. Chase asked for additional information on the new doors for the high school. Mrs. Hutchins explained that the doors would not be for the high school, but replacement doors and locks at Sycamore Park Elementary that were old and difficult to open and close and to install locks on the existing doors at Farmington Elementary School for security reasons. Mr. Chase asked how much would that cost. Mrs. Hutchins replied it had been estimated at \$70,000 for both projects.

Mr. Nixon stated that he understood the problems being faced by the School Board, but the Board of Supervisors was charged with the revenue side and increased taxes. He agreed that the Board had strongly endorsed the idea of building the new elementary school ahead of schedule as opposed to building a classroom extension at Farmington, and all parties were in complete agreement that the new elementary school was needed. He said his frustration was that a budget had been established and now the Board was hearing that the project was over budget.

Mr. Coates expressed his concern that the project was designed last year and the estimates were inadequate and adjustments had to be made at this late date. He stated that the Board had to ask these hard questions in public because the funds were public funds.

Mr. Chase stated that he was bothered that the Town would not accept blinking lights on a temporary basis with a policeman on site two times a day, instead of a permanent signal. Mr. Crabtree replied that the stoplight was part of the conditional use permit and it was hard to argue the safety issue.

Mrs. Hutchins discussed the issue the School Board was having with Town police at the schools located within the Town. She said the Town Police had suggested training or deputizing school employees to be crossing guards but felt that policemen were the better option.

Mrs. Hansohn expressed her appreciation to the School Board members for their efforts in addressing the problems that had been encountered. She asked for an update on the progress of the new high school in the near future so that the Board would be better prepared should issues arise for that project. Mrs. Hutchins stated that the School Board would be glad to schedule a tour for the Board to visit the site.

Mrs. Hutchins stated that adjusting the School's finances and using existing funds on the new elementary school would come with a price. She cautioned that the current high school was 40 years old, and some of the other schools would need roofing repairs, etc., and should that occur, she would be back before the Board asking for additional funds.

Mrs. Hansohn said she had never known the Board to turn down any request from the School Board for something that was really needed.

Mr. Walker stated he understood that \$970,000 would be taken from the CIP for this year, and asked where the balance would come from. Mr. Dasher replied by prioritizing other CIP items and adding the \$970,000 from the CIP would total \$1.38 million leaving them \$210,000 short.

Mr. Walker asked again where the \$210,000 would come from. Mr. Dasher replied it would come from other line items in the CIP. Mr. Walker stated he understood there would be nothing left in the CIP. Mrs. Hutchins explained that funding would be coming from the proffers from the development behind Lowe's. She said there would be approximately \$490,000 of which \$200,000 had been collected but not used.

Mr. Walker expressed his concern that the CIP would be depleted and asked whether other areas in the budget, other than the CIP, had been considered. Mrs. Hutchins replied that they had looked at the entire budget.

Mr. Walker commented that in essence the School Board had not stayed within the \$14.9 million budget that had been approved some time ago. He said the project had been increased by utilizing funds from other CIP projects. He asked what funds were being used to construct the building on the high school campus. Mrs. Hutchins replied that those funds were operations money from the previous year. Mr. Walker noted that they have pulled everything out of the CIP because they did not want to use operations funds. Mr. Dasher replied that was not the case, that the operations budget was already extremely tight and they were reprioritizing. Mr. Walker remarked that was what the Board was told last year, but a building was being built now with operations funds.

Mrs. Hutchins explained that with State funds being less this year than anticipated, they had reviewed every source of funds and decided that the CIP provided the most funds to accommodate this shortage. She said should money become available at the end of the year, depending upon what State funds were received, some of that money could certainly

be used to address some of the other needs in the School System. She said she was not ready to commit those funds until operations were taken care of.

Mr. Walker said that State funds were down because the ADM was down, which meant that there was less student population than actually planned on. He assumed that was because there was operations money available to build the building since there were less students than planned. Mrs. Hutchins assured Mr. Walker that there were only about 100 students less and when Yowell Elementary School opened it would be filled to capacity. She added that the School System was in a lull with population at the present time, which was good since it allowed for a break, otherwise they would be talking about another school within a year or two.

Mr. Walker stated he would like to discuss using operational monies for CIP projects. Mrs. Hutchins stated that operations money was being used at the present time for diesel fuel that was increasing, as well as meeting payroll. She said that all Federal funds for special ed had been used and if they received a child between now and the end of the year, that money would have to be taken from operations.

Mr. Walker stated that his question was still why operational funds were being used to build a building. Mrs. Hutchins replied that the building was built with last year's money, not from current operational funds.

Mr. Aylor stated that the citizens of Culpeper had already sacrificed and their taxes were being used to make the new elementary school happen. He suggested that the School Board scrutinize this year's budget and look very closely at salaries, especially at the top. Mr. Dasher assured him that they were looking at every avenue because they realized they were receiving less than they requested of new monies for next year's operating budget. Mr. Aylor stated he understood that, but the School System received more for the coming year than it received previously.

Mr. Rosenberger asked about the cost of the utility building that was being constructed. Mr. Shomo replied it would cost approximately \$250,000.

Mr. Coates stated that he would recess the meeting so that members of the Board and others who were interested could view the new ambulance that was parked outside the Administration Building. Mr. Tom Williams, Emergency Services Director, stated that the first unit had just been delivered to the County and he hoped to put it into service that

afternoon. Mr. Coates asked when the second unit would be delivered. Mr. Williams replied in July or early August.

Mr. Coates recessed the meeting at 11:09 a.m.

Mr. Coates called the meeting back to order at 11:25 a.m.

FY '08 APPROPRIATIONS RESOLUTION

Mr. Bossio asked for the Board's consideration of the Appropriations Resolution for fiscal year 2007-2008. He said the Board adopted the FY 2008 budget on April 25 with revenues of \$143,605,876 and expenditures of \$143,105,876. He noted that the difference between revenues and expenditures provided \$500,000 in future capital.

Mr. Chase said he understood that the appropriation did not have to be approved before the end of June, and he still had problems with several items.

Mr. Chase moved to postpone action on the Appropriations Resolution until the June 5 Board meeting. Mr. Rosenberger seconded the motion for discussion purposes.

Mrs. Hansohn asked whether the delay would have an impact on any of the departments. Mr. Bossio replied that his primary concern would be that the School Division had to establish teacher contracts and they liked to begin as early as possible, but the delay would have no impact on County departments.

Mr. Nixon asked Dr. David Cox, Superintendent of Schools, whether a 30-day delay would be a burden on him. Dr. Cox replied that the delay would place the School Division at a distinct disadvantage competitively with the surrounding School Divisions because he would not be able to solidify the budget and set the teacher pay scale in order to issue contracts.

Mr. Bossio pointed out that State law required the localities to adopt the budget and set the tax rate by May 1, which had been done, and that in effect stipulated the amount of money the School Division would receive in its budget. He asked whether there was anything in the law that stated the Schools needed to have an appropriation before issuing contracts.

Dr. Cox replied that he would have to consult with the School's legal counsel before answering that question.

Mr. Chase inquired how could the School System advertise for positions without an appropriation. Dr. Cox asked for clarification. Mr. Chase stated, as an example, the

maintenance position at the new high school had been advertised. Dr. Cox replied that they had not advertised for that position. Mr. Chase stated that he had a copy of a list of positions that had been advertised and he would provide a copy for Dr. Cox. Dr. Cox explained that he would explain the process by using the high school planning principal as an example. He said the School Division had advertised that position as an anticipated vacancy, but until the position had been approved by the School Board, it would not be advertised as a position. He said they had not advertised for a warehouse person and were not receiving applications.

Mr. Walker said he understood Dr. Cox to say that he did not know whether there was any legal restriction prohibiting the Schools from signing contracts without an appropriation. Dr. Cox stated he was not prepared to answer that legal question, but historically he did not know of anyone who issued contracts to certified employees without an appropriation.

Mr. Walker stated that his question was whether the Schools had the legal authority to sign contracts without an appropriation. Dr. Cox repeated that was a question he could not answer.

Mr. Nixon stated that the Board of Supervisors had adopted a budget that included a \$3 million increase for the Schools. He felt that the Schools should be able to sign contracts or give raises contingent upon that \$3 million in the approved budget, and asked the County Administrator for confirmation. Mr. Bossio stated he could not speak for Dr. Cox, but his sense was that they probably could sign contracts because the law was written to ensure that localities adopted a budget and set the tax rates so that the Schools would know the precise amount of money they had in order to issue contracts.

Dr. Cox stated that the School legal counsel was of the opinion that the School Board could not commit to expenditures using monies that had not been previously appropriated.

Mr. Bossio asked how Dr. Cox operated when the Governor's budget was late several years ago. Dr. Cox replied that every School Division was in the same situation at that time and no one had their State allocations. Mrs. Hutchins recalled they had inserted a contingency clause in the contract that caused the teachers concern, but the rest of the

State was in the same situation. She felt that to be different from surrounding counties would put the School Board in a very awkward position.

Mr. Rosenberger stated that the County had to provide the School Board with a firm figure by a particular date. Mr. Maddox stated that the County had to pass the School's budget by May 1. He said he was not an expert in school teacher contracts or other contracts with personnel, but he disagreed with the School Board counsel on some of these issues and had discussed them with him. He said that generally all of the County's contracts were subject to annual appropriation, and he would think that a contingency clause could be added in the teachers' contract that would say the County had adopted a budget with sufficient funds to ensure payment under the contract and would be subject to appropriation no later than June 30. He said that generally all County contracts had a "subject to appropriation clause", and he believed it could be done with teachers' contracts, but the School Board should consult its own attorney.

Mr. Rosenberger stated that due to the confusion, he would not support Mr. Chase's motion, but he felt that the Board should look very hard at the possibility of going to categorical appropriation based on the information brought before the Board today. He also felt it might be time to look at consolidation of services between the two Boards. He said he was concerned because the Board continued to receive criticism regarding teachers' salaries, while the School Board was constructing buildings with operational funds while other budgets were being reduced.

Mr. Coates said he could not support the motion but appreciated Mr. Chase's concerns and questions. He felt it was time for a change in how the County did business the next year.

Mr. Coates called for voice vote and show of hands.

Ayes - Chase, Walker

Nays - Aylor, Coates, Hansohn, Nixon, Rosenberger

Motion failed 5 to 2.

Mr. Chase moved, seconded by Mrs. Hansohn, to change the School budget this year to a categorical appropriation.

Mr. Chase explained that he made the motion because of the events that had been revealed to the Board during today's discussions. He stated that a categorical appropriation

would work because it would be clear and open to the public where the money was coming from and where it was being spent. He said during the years when the School Board was operating under a categorical budget, the Board never denied their requests for transferring funds from one category to another.

Mr. Maddox stated that there were two alternatives: One the Board could vote an appropriation in whole as was traditionally done, or it could vote to separately appropriate money for the School Board pursuant to various categories as suggested by Mr. Chase's motion. He pointed out that he had not prepared a resolution for the second option and he would prefer to have the opportunity to place the additional resolution before the Board for consideration with the first option.

Mr. Chase stated that his motion was just to accept the method and the resolution could be drafted for consideration at the evening meeting if the motion passed.

Mr. Coates said he would not support the motion because he felt this was not the appropriate time to make changes in the way the County did business. He said the Board had gone through the entire budget process this year, and any changes could be made in the coming year.

Mr. Bossio stated the Board had discussed this in previous budget years and every year staff had prepared a history of how the various categories were funded so the Board would know how the School appropriated money based on its history in the categories of Instruction, Administration and Attendance and Health, Transportation, Operations and Maintenance, Facilities, and Technology, as well as the separate categories of Food Service, which was an enterprise program for the Schools, and Debt Service, which was funded by the General Fund. He said even though the intent of the School Board was not known, there was a history of how the funds had been spent in the past.

Mr. Chase pointed out that the history did not say exactly how every nickel had been spent and the Board should decide whether it wanted to go through another year of darkness and secrecy or whether it wanted to enter a year of daylight when everyone would know where the nickels were being spent or transferred.

Mrs. Hansohn stated that she liked the idea of having some type of manageability and suggested working with the School Board to get this in place for the coming year.

Mr. Chase stated he preferred the word “accountability” because he did not want to have any more control or management duties. He did not want to tell the School Board how to spent the money, but he did want to know how the money was spent.

Mr. Rosenberger asked Mrs. Hutchins whether the School Board had reworked its budget in order to know how much was in each of the categories. Mrs. Hutchins replied that the School Board had a general discussion, but had not had the opportunity to meet and discuss the budget, but planned to have a work session on May 2 and take a final vote at the regular meeting on May 14.

Mrs. Hansohn stated that if the Board voted to change to categorical, the School Board would not have had the opportunity to make final decisions for each category. Mr. Bossio stated that it would probably have to be done by some type of formula based on the historical data over the past five years.

Mr. Chase stated that the budget should be based on the School System’s needs and if there were any changes, they could come back to the Board with their requests.

Mr. Rosenberger stated in the past when the Board had categorical appropriations in place, decisions were always made prior to the beginning of the budget process and the first decision was how to handle the School System’s budget – whether it was going to be lump sum or categorical. He recalled there had been many heated discussions over the years about whether to go categorical or not. He felt it was something that needed to be considered but the process should begin as early as possible. He agreed with Mr. Chase that the change should be made, but he felt the process needed to be worked out during the next budget session in order to receive input from the School Board before it was done.

Mr. Chase stated that there was no track record of the School Board’s actual expenditures, and he was concerned that they were moving funds from the CIP. He said a track record could not be obtained until the budget was done categorically.

Mr. Walker stated that the School Board was going to have a work session on May 2 and a regular meeting on the 14th, and they might have time to make decisions and address the various categories if the motion passed.

Mr. Nixon expressed confusion regarding how the process would work if the motion were passed to go with a categorical budget. Mr. Bossio stated that if the Board passed the motion, the School Board would go into their meeting, set their budget the way that they

wanted, bring it back to the Board, and the Board could have a special meeting to appropriate the amounts based on the School Board's decisions.

Mr. Coates called for voice vote.

Ayes - Chase, Rosenberger, Walker

Nays - Aylor, Coates, Hansohn, Nixon

Motion failed 4 to 3.

Mr. Nixon said he felt it was obvious to the School Board that the Board of Supervisors had questions and concerns about the School budget and how it was being administered. He felt more open dialogue was needed between the two bodies so both would feel more comfortable and better able to address each other's needs and concerns.

Mr. Nixon moved, seconded by Mrs. Hansohn, to adopt the proposed Appropriation Resolution for the year 2007-2008.

Mr. Coates called for voice vote and show of hands.

Ayes - Aylor, Coates, Hansohn, Nixon, Rosenberger, Walker

Nay - Chase

Motion carried 6 to 1.

CONSIDERATION OF AWARDING A CONTRACT TO BUILD A WASTEWATER PUMP STATION

Mr. Paul Howard, Environmental Services Director, reported that invitation for bids had been issued to build the wastewater pumping station to serve the new high school. He said three bids were received, and the low bidder was Mid-State Construction Company at \$316,432. He said the project would be funded from the bond issue for Eastern View High School offsite water and sewer improvement, and it was ready for the Board's consideration.

Mrs. Hansohn moved, seconded by Mr. Aylor, to approve awarding a contract to Mid-State Construction Company in the amount of \$316,432 to build a wastewater pump station for the new high school.

Mr. Coates called for voice vote.

Ayes - Aylor, Chase, Coates, Hansohn, Nixon, Rosenberger, Walker

Motion carried 7 to 0.

NEW BUSINESS

COMMITTEE REPORTS

BUILDING & GROUNDS REPORT - APRIL 10, 2007

Mr. Aylor reported that the Buildings and Grounds Committee met and was forwarding the following recommendation to the full Board:

1. Recommending to the full Board that staff proceed with the design for the Registrar's Office on the 2nd floor in the Wachovia Bank building.

Mr. Aylor moved, seconded by Mr. Nixon, to proceed with the design for the Registrar's Office in the Wachovia Bank building.

Mr. Coates called for voice vote.

Ayes - Aylor, Chase, Coates, Hansohn, Nixon, Rosenberger, Walker

Motion carried 7 to 0.

See Attachment #1 for details of meeting.

RULES COMMITTEE REPORT - APRIL 10, 2007

Mr. Walker reported that the Rules Committee met and was forwarding the following recommendations to the full Board:

1. Recommending to the full Board to approve the resolution to change from a four-year general assessment to a two-year general reassessment as agreed upon amended language;
2. Recommending to the full Board to create a fifth technology zone to be designated Braggs Corner Technology Zone and that it be advertised for a public hearing; and
3. Recommending to the full Board the amendment to Article V. Parking Spaces Reserved for Disabled Persons. The fines to be established at \$100 for the 1st offense, \$150 for the 2nd offense, and \$250 for the 3rd offense, and the specifics of the designated parking space be included.

Mr. Walker stated that the Board had been provided with a resolution to change from a four-year general assessment to a two-year assessment, and the Commissioner of the Revenue had concurred in writing with the resolution.

Mr. Walker moved, seconded by Mr. Nixon, to approve the resolution and accept the memorandum from the Commissioner of the Revenue.

Mrs. Hansohn asked for more information regarding the differences in the budget between a two-year and a four-year reassessment.

Mrs. Valerie Lamb, Finance Director, provided a handout that showed the budget for a two-year reassessment in FY 2008 would be approximately \$551,034 versus \$408,357 for a four-year reassessment. She said the four-year figure was in the budget adopted and appropriated by the Board. She estimated that over the course of four years, the increase in salaries and benefits would be approximately \$2,250,375 for a two-year reassessment versus \$1,981,004 for a four-year reassessment, or \$269,371 more for a two-year reassessment than a four-year reassessment.

Mrs. Hansohn asked whether there would be the same number of people working on the two-year reassessment as a four-year reassessment. Mrs. Lamb replied that was not her understanding from the presentation Mrs. Terry Yowell, Commissioner of the Revenue, made a month or so ago. She said that Mrs. Yowell planned to request two additional full-time appraisers, but would not need the data collectors because the number of parcels would be divided up evenly among the appraisers in the office. The appraisers would be able to go out and do the data collecting and a lot of the data entry themselves without needing the part-time data collectors. She said that Mrs. Yowell was asking that a permanent part-time employee, currently in her office, be retained to provide some data entry.

Mrs. Hansohn said there was discussion at some point that the Building Inspectors could also be data collectors, and asked if that had ever occurred. Mr. Bossio replied that had not been programmed into the budget, but it was something that could be considered to save costs.

Mrs. Hansohn asked whether there was a reasonable value to be realized by doing the reassessment every two years versus four years.

Mr. Chase felt that most of the reassessment was a paper drill and if there were changes made in the property, it would show up in the Building Department. He did not believe it was necessary to go out and look at every single parcel every year.

Mr. Rosenberger pointed out that changes would only show up in the Building Department if a building permit had been obtained and that was the reason appraisers had to go out and view the properties.

Mrs. Yowell explained that in order to actually value property according to the market, many factors such as location, condition, and age had to be considered, and in

order to assess like properties uniform with that market, the condition had to be seen whether it was every two years or every four years. She said during the last reassessment, her staff actually went out and visited all properties and made corrections as needed. She said that would not have to be done every year and the workload would be reduced in comparison to the cycle just completed. She stated that the rule of thumb throughout the Commonwealth was estimated at 4500 to 5500 parcels per appraiser. She said the last reassessment of 21,500 parcels was done with two appraisers and an assistant appraiser, which resulted in several hundred hours of overtime in order to adjust the fair market value of parcels to the current market. She said for a two-year reassessment, she proposed to divide the County and have staff sufficient for one appraiser per an estimated 4600 parcels, and it would not include the senior appraiser, who would serve as a supervisor of the work being conducted by the other appraisers.

Mrs. Hansohn asked how many appraisers would be needed. Mrs. Yowell replied that she would need two additional for an estimated \$75,000 a year over and above the current allocation in order to keep pace with market changes. Mrs. Hansohn asked how many total appraisers would there be. Mrs. Yowell replied that there would be five appraisers, including the senior appraiser.

Mr. Walker stated that the Rules Committee had been working on this issue for approximately six years and was recommending the current proposal for approval.

Mr. Chase stated he would not support the motion because he felt that a four-year reassessment was sufficient.

Mr. Coates called for voice vote.

Ayes - Aylor, Coates, Hansohn, Nixon, Rosenberger, Walker

Nay - Chase

Motion carried 6 to 1.

Mr. Walker reported that the next item was a recommendation to create a fifth Technology Zone to be designated "Braggs Corner Technology Zone". He said the new zone covered the area off Route 666 and included Allied Concrete and the Canavan property.

Mr. Walker moved, seconded by Mr. Nixon, to add the Braggs Corner Technology Zone as a fifth Technology Zone and be advertised for a public hearing.

Mr. Chase called the question.

Mr. Coates called for voice vote.

Ayes - Aylor, Chase, Coates, Hansohn, Nixon, Rosenberger, Walker

Motion carried 7 to 0.

Mr. Walker reported that the last item was a motion to amend Article V. Parking Spaces Reserved for Disabled Persons, and that the fines be established at \$100 for the first offense, \$150 for the second offense, and \$250 for the third offense, with the specifics of a designated parking space to be included. He presented a facsimile of the specifications for an appropriate sign to be used.

Mr. Walker moved, seconded by Mr. Nixon, to approve the amendments to Article V. Parking Spaces for Disabled Persons and be advertised for a public hearing.

Mr. Maddox pointed out that since the action required an ordinance amendment, the motion was to advertise for a public hearing. He said the amendment would allow the Sheriff's Department to issue tickets for violations at the schools, as well as all private and public properties. He said that the *State Code* permitted fines up to \$500, but the Rules Committee felt that amount was too high and recommended a maximum of \$250. He said the design of the sign met the Federal Transportation standards and was one used in most counties.

Mr. Chase called the question,

Mr. Rosenberger asked to speak, and Mr. Chase withdrew the question.

Mr. Rosenberger suggested that the sign state "\$250 maximum fine" instead of "\$100 – \$250 fine". Mr. Walker agreed that change could be made on the sign if it were the consensus of the Board.

Mr. Chase called the question.

Mr. Coates called for voice vote.

Ayes - Aylor, Chase, Coates, Hansohn, Nixon, Rosenberger, Walker

Motion carried 7 to 0.

See Attachment #2 for details of meeting.

PUBLIC WORKS COMMITTEE REPORT - APRIL 10, 2007

Mrs. Hansohn reported that the Public Works Committee met and was forwarding the following recommendation to the full Board:

1. Recommending to the full Board to award the contract to R. L. Rider and Company in the amount of \$1,281,500, including the alternate, to construct the water and sewer lines to serve the new high school.

Mrs. Hansohn moved, seconded by Mr. Aylor, to award a contract to R. L. Rider and Company in the amount of \$1,281,500.

Mrs. Hansohn stated that Mr. Howard was present to answer any questions.

Mr. Coates called for voice vote.

Ayes - Aylor, Chase, Coates, Hansohn, Nixon, Rosenberger, Walker

Motion carried 7 to 0.

See Attachment #3 for details of meeting.

PUBLIC SAFETY COMMITTEE REPORT - APRIL 19, 2007

Mr. Nixon reported that the Public Safety Committee met and was forwarding the following recommendations to the full Board:

1. Recommending to the full Board to award Workers' Compensation Insurance (\$71,761) and Accidental Death and Dismemberment (\$49,291) for the Fire and Rescue Association to Armentrout Insurance Agency for a total of \$121,052;
2. Recommending to the full Board to award the property and casualty insurance for the Fire and Rescue Association to Armentrout Insurance Agency in the amount of \$94,509; and
3. Recommending to the full Board to approve the request from Brandy Station Volunteer Fire Department for a \$25,000 donation.

Mr. Nixon moved, seconded by Mr. Aylor, to award the Workers' Compensation and Accidental Death and Dismemberment policy for the Fire and Rescue Association to Armentrout Insurance Agency, Option B, in the amount of \$121,052.

Mr. Coates called for voice vote.

Ayes - Aylor, Chase, Coates, Hansohn, Nixon, Rosenberger, Walker

Motion carried 7 to 0.

Mr. Nixon moved, seconded by Mr. Walker, to award the property and casualty insurance to Armentrout Insurance Agency in the amount of \$94,509.

Mr. Coates called for voice vote.

Ayes - Aylor, Chase, Coates, Hansohn, Nixon, Rosenberger, Walker

Motion carried 7 to 0.

Mr. Nixon moved, seconded by Mr. Walker, to approve the request from the Brandy Station Volunteer Fire Department for a \$25,000 donation as seed money for construction of the new building.

Mr. Coates called for voice vote.

Ayes - Aylor, Chase, Coates, Hansohn, Nixon, Rosenberger, Walker

Motion carried 7 to 0.

See Attachment #4 for details of meeting.

TOWN AND COUNTY INTERACTION COMMITTEE - APRIL 26, 2007

Mr. Chase reported the Town and County Interaction Committee met and discussed Mr. Joe Daniels' movement to consolidate Town and County governments. He said the Committee decided that members would report back to their respective bodies with updates, but felt that the two bodies should not become involved with the citizen movement other than to cooperate when information was requested.

ECONOMIC DEVELOPMENT REPORT

Mr. Carl Sachs, Director of Economic Development, provided the following report:

1. An update on commercial development was presented with changes highlighted in red showing certificates of occupancy issued for businesses in the Centre at Culpeper and Culpeper Colonnade.
2. The Business Appreciation Mixer would be held on May 16, during Business Appreciation Week in Virginia, at the Culpeper Country Club from 5:30 p.m. to 7:30 p.m. and all local businesses were being invited.
3. An "Entrepreneurs Forum" had been initiated in the form of a monthly brown bag lunch for small business owners, as well as for those contemplating starting a small business. A nurturing environment would be provided for open and informal discussions among peers, opportunities for mentor interaction and experiences, and presentations by experts on a wide range of subjects that affect the success of a small business. The first meeting would be held on May 18, 2007, 12:00 noon to 1:00 p.m., at Germanna Center for Advance Technology.
4. On the recommendation of Ms. Stacey Brown, Administrative Assistant, luncheon meetings had been initiated twice a month with local retail business owners to show

appreciation to them and to hear their concerns. Lunch meetings had been held with the owners of the Cameleer, Ed's Awards and Engraving, Randy's Flowers and the Frenchman's Corner.

5. Plans were underway for an initial luncheon meeting with the companies in Technology Zones, such as Terremark, S.W.I.F.T., GCAT, and Library of Congress, but a definite time had not been established for the first meeting.

AIRPORT ADVISORY COMMITTEE REPORT - APRIL 11, 2007

Mr. Bossio reported that the Airport Advisory Committee met, but there were no action items to bring forward.

ADMINISTRATOR'S REPORT

Mr. Bossio announced that there was a list of criteria for participating with VACo in the Jefferson Cup Award to Senator John H. Chicester upon his retirement from the State Senate. He said the nomination had to be made to VACo by one of the members in Senator Chicester's district, and Mr. Walker had requested that the request be brought to the full Board.

Mr. Walker stated he would like to make application on behalf of the County in appreciation of all that Senator Chicester had accomplished for local government, but did not want to start the process without the approval of the Board.

Mr. Coates asked the Board members if they had any objections to Mr. Walker's request. There were none.

CLOSED SESSION

Mr. Nixon moved to enter into closed session, as permitted under the following *Virginia Code* Sections, and for the following reasons:

1. Under *Virginia Code* §2.2-3711(A)(1), to consider: (A) Application for appointment to the Piedmont Workforce Network to fill one vacancy for a two-year term, and (B) a reappointment to the Rappahannock-Rapidan Division of Court Services/District Nine VASAP Policy Board.
2. Under *Virginia Code* § 2.2-3711(A)(7) and (A)(30) to discuss negotiating terms of a water and sewer contract with a specific developer "A", where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the County.

3. Under *Virginia Code* § 2.2-3711(A)(7) and (A)(30) to discuss negotiating terms of a water and sewer contract with a specific developer “B”, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the County.

4. Under *Virginia Code* § 2.2-3711(A)(7) and (A)(30) to discuss negotiating the terms of a water and sewer contract with a specific owner of property in the County, located northeast of the Town of Culpeper, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the County.

Seconded by Mrs. Hansohn.

Mr. Coates called for voice vote.

Ayes – Aylor, Coates, Hansohn, Nixon, Rosenberger, Walker

Nay – Chase

Motion carried 6 to 1.

Mr. Coates called for a recess at 12:35 p.m. for a lunch break

The Board entered into closed session at 2:00 p.m.

The Board returned to open session at 2:40 p.m.

Mr. Coates polled the members of the Board regarding the closed session held. He asked the individual Board members to certify that to the best of their knowledge, did they certify that (1) only public business matters lawfully exempted from the open meeting requirements under Virginia Freedom of Information Act, and (2) only such public business matters as were identified in the closed session motion by which the closed meeting was convened, were heard, discussed or considered by the Board in the closed session.

Mr. Coates asked that the record show Mr. Chase was not present for the closed session.

Ayes – Aylor, Walker, Coates, Nixon, Rosenberger, Hansohn

APPOINTMENT TO THE PIEDMONT WORKFORCE NETWORK

Mr. Nixon moved, seconded by Mrs. Hansohn, to appoint G. Eric Holter to the Piedmont Workforce Network for a two-year term.

Mr. Coates called for voice vote.

Ayes – Aylor, Coates, Hansohn, Nixon, Rosenberger, Walker

Absent – Chase

Motion carried 6 to 0.

**APPOINTMENT TO RAPPAHANNOCK-RAPIDAN DIVISION OF COURT
SERVICES/DISTRICT NINE VASAP POLICY BOARD**

Mr. Nixon moved, seconded by Mr. Walker, to reappoint Gary L. Close to serve as Culpeper County's representative on the Rappahannock-Rapidan Division of Court Services/District Nine VASP Policy Board.

Mr. Coates called for voice vote.

Ayes – Aylor, Coates, Hansohn, Nixon, Rosenberger, Walker

Absent – Chase

Motion carried 6 to 0.

**REQUEST FROM THE TOWN FOR WATER AND SEWER SERVICES JIM SWAN'S
PARCELS**

Mr. Nixon moved, seconded by Mr. Aylor, that the County Attorney be directed to prepare and forward to the Town of Culpeper a resolution under the June 2003 Water and Sewer Agreement, consistent with the request of Jim Swan for water and/or sewer services to three parcels.

Mr. Coates called for voice vote.

Ayes – Aylor, Coates, Hansohn, Nixon, Rosenberger, Walker

Absent – Chase

Motion carried 6 to 0.

ADJOURNMENT

Mrs. Hansohn moved to adjourn at 2:42 p.m.

Peggy S. Crane, CMC
Deputy Clerk

John F. Coates, Chairman

ATTEST:

Frank T. Bossio
Clerk to the Board

APPROVED: June 5, 2007